Sick PSUs

*362. SHRIMATI BIMBA RAIKAR : Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether Government propose to take the sick PSUs out of the purview of Board for Industrial and Financial Reconstruction (BIFR) to facilitate easy liquidation and faster rehabilitation;

(b) whether there are plans to scrap the BIFR under the proposed Company Law Amendment;

(c) whether Government have recently issued directives to sick PSUs to clear outstanding dues of the employees within 45 days; and

(d) if so, the details thereof?

THE MINISTER OF FINANCE AND COMPANY AFFAIRS (SHRI JASWANT SINGH): (a) to (d) A Statement is placed on the Table of the House.

Statement

It is proposed to repeal the Sick Industrial Companies (Special Provisions) Act (SICA) and wind up the Board of Industrial and Financial Reconstruction (BIFR). An alternative mechanism for liquidation and rehabilitation of sick companies has been provided in the Companies Act through the Companies (Second Amendment) Act, 2002, which will also provide for establishing the National Company Law Tribunal. Under the amended Act, an Government company is exempt from the mandatory provision for making reference to the Tribunal, other than, with the prior approval of the Central or the State Government, as the case may be.

Administrative Ministries of sick PSUs having outstanding statutory dues have been advised to clear them within 45 days, out of their own resources. Other loss making and sick PSUs which have outstanding dues, but may not have the resources have been advised to expedite clearance of dues by disposal of surplus/non-performing assets. For enterprises that neither have the capacity to clear the dues out of their internal resources nor have disposable surplus assets, the Ministries have been advised to frame revival/ closure plans.

SHRIMATI BIMBA RAIKAR: Sir, it is being said that for the whole process to be completed, the BIFR takes 18-26 years. If it is a fact that they take 18-26 years to process the case, then, what will be the fate of employees? What would the employees do? This is my first supplementary.

SHRI JASWANT SINGH: Sir, so far as the question of employees is concerned, this has been made clear, repeatedly clear, in the House as also in the Standing Committee of Parliament, that there is total protection of labour interests; and the National Company Law Tribunal's central thrust is revival and rehabilitation of sick units. Winding up proceedings will be the last resort. Secondly, Sir, a member representing the labour will be on the Bench of the National Company Law Tribunal. Thirdly, a revival and rehabilitation fund is to be established which would be utilised for payment of dues to labour. Fourthly, for disposal of assets during the pendency of rehabilitation, if it is required for clearing dues to the labour, there is a provision. And, also, that labour as a creditor, to the extent of dues, can make reference to the National Company Law Tribunal for revival and rehabilitation.

SHRIMATI BIMBA RAIKAR: Sir, there are about 28 sick units. So, have the Government made any arrangement regarding the payment of employees' dues in this Budget session? Secondly, you have said that there are sick units. How many sick units so far, you have been successful in improving?

SHRI JASWANT SINGH: Sir, I will give the figures. So far as the first part of the question regarding labour is concerned that has already been answered. And as the hon. Member knows, in the case of BIFR—up till now it was BIFR—for the last 15 years, until November 2002, the BIFR received a total of 5814 references of which 4255 were registered. On an average, it took about 1680 days to dispose them for revival; dismissal took about 117 days; and the average time for recommending was 1468 days. Now, because this was not a very satisfactory situation, the question of BIFR, SICA, being replaced arose and that is why the Parliament took it up.

SHRIMATI BIMBA RAIKAR: Sir, one more thing.

श्री सभापति: बस, दो सप्लीमेंटरी आपके हो गए। श्री दीपांकर मुखर्जी।

SHRI DIPANKAR MUKHERJEE: If the Chairman permits me, I will cover it up. Sir, I am restricting myself to the parts (c) and (d) of the question which are regarding the payment of statutory dues to the employees of sick PSUs. सर, मैं इसमें स्पेसिफिक रहूंगा, लेकिन आपसे इजाजत चाहूंगा कि आप इसमें थोड़ा मुझे टाइम दीजिएगा। Once the Prime Minister had also intervened but there had been no redressal of grievance. Now, it has been told that the outstanding statutory dues of the sick PSUs employees, if I am not mistaken—I may be corrected—right now stands at about Rs. 2000 to Rs. 2100 crores, which includes wages, the provident fund, the gratuity and all other statutory dues. From 1998 onwards till this date, this has been hovering between Rs. 1800 crores to Rs. 2100 crores. Today, it has been told that it has been advised to clear it within 45 days. अश्वथामो हतः इति गरजः। Forty-five days from which date? From today or from the date of decision of the Cabinet? It is not clear. 45 डेज में जो दिया जाएगा, उसमें first is out of their own resources. Most of the sick PSUs do not have their resources, that is why they are sick and referred to the BIFR. यह जो कंडीशन है 45 डेज का, it is absolutely absurd, it will not be fulfilled. The second is, it will be disposed of by disposing of assets. Sir, I will give you one example. For the National Instruments Limited, which was under BIFR, a scheme is sanctioned, asset, land, was to be disposed of and it has taken eight months. Sir, workers are not getting their salaries for the last eight to nine months! Disposal of assets will take its own time. Till then, will these workers starve? And the third is, the enterprises, which have neither the capacity to clear the dues nor have disposable surplus assets, Ministries have been advised to frame revival/closer plans. What does it mean? If it has to be revived then BIFR is not going to be there. Therefore, there is going to be a gap. बीआईएफआर नहीं रहेगा, एनएलसी नहीं रहेगा रिवाइवल कब कब होगा, बांसुरी कब बजेगी, कब इनको तनख्वाह मिलेगी, कब पी॰एफ॰, ग्रेचुअटी मिलेगी? So these are absolutely absurd. Would the Government give a specific commitment that in this Budget. at least, within two to three days, all these dues will be cleared and the nodal Ministry, the Finance Ministry, would take the responsibility of that? This cannot go on. People are starving! The dues are Rs. 2100 crores! I can cite a number of companies where

workers are not getting salaries for the last seven or eight months; provident fund is not being paid and gratuity is not being paid to retired employees. It is a very serious issue. I think the finance Minister should come with the detailed statement on this rather than this vague statement.

SHRI JASWANT SINGH: Mr. Chairman, Sir, as he is committed to the interest of labour, the hon. Member has quite rightly raised issues relating to outstanding dues of workers in PSUs. He has given certain information. The information that is available with me is that the number of total defaulting PSUs is 66 and the dues are Rs. 2082 crores.

SHRI DIPANKAR MUKHERJEE: So, I am correct, Sir!

SHRI JASWANT SINGH: I did not say that you weren't. Rather, I commended you for your commitment to interests of labour. Now, so far as clearance of dues from their own resources within 45 days is concerned, there are 13 PSUs and the amount involved is Rs. 545 crores. Those PSUs, who have to clear their dues by sale of assets, are 15 and the anount is Rs. 495 crores. The PSUs who have to seek budgetary support, that is, from the Government of India, are 28 in number, and the total amount involved is Rs. 760 crores. Sir, the information is still being collected in regard to 10 PSUs, involving an amount of about Rs. 161 crores.

The Group of Ministers that is dealing with this, met last on 23rd January and very early, in the next meeting of this Group, we are proposing it. The interest of labour is uppermost in the minds of the Government, and we will take care of these aspects.

SHRI DIPANKAR MUKHERJEE: Sir, you have mentioned 45 days. From which date will that commitment be effective? *(Interruptions)* Sir, you have given the commitment that these dues will be cleared within 45 days. Will this commitment be effective from 23rd January because यदि 23 जनवरी को आप लेते हैं तो 45 दिन तो गए।

SHRI JASWANT SINGH: Sir, I think what the hon. Member is saying, it is not so much on the specificity of the date, but on the ground of... (*Interruptions*) No, no. Please understand what I am

saying. We will take care of it. The interest of labour will not be bound in such a fashion that 45 days' period... (*Interruptions*).

SHRI PRANAB MUKHERJEE: Sir, ... (*Interruptions*)

श्रीमती सरला माहेश्वरी: सभापति जी, ... (व्यवधान)..

MR. CHAIRMAN: Let him speak. (*Interruptions*) वह ठीक है। (*Interruptions*) No, no. The question has been well replied. Shri Pranab Mukherjee.

SHRI DIPANKAR MUKHERJEE: Then, Sir, the 45 days' commitment should be deleted. Please specify the date. Otherwise, it means that this time that has been given here is only for Parliament and for public consumption, and that it will not be done within 45 days. In that case, why should there be this limit of 45 days at all?

SHRI PRANAB MUKHERJEE: Sir, I think the hon. Member is correct. There must be a reference date, so far as this period of 45 days is concerned. It should be that, either from the date of closure, or from the date on which the decision is taken, sick Public Sector Enterprises would dispose of their assets. It must have a reference date, a starting point. Without that, the stipulation of 45 days is meaningless. But my point is not that. Of course, what has been articulated by Dipankarbabu cannot be improved further by me. My point is that there will be an interregnum between the winding up of the BIFR and the establishment of the NCLT, and in the last sentence of your statement, you have stated that for enterprises that neither have the capacity to clear the dues out of their internal resources nor have disposable surplus assets, they will have to come out with a revival programme. The exact expression that you have used here is that the Ministries have been advised to frame revival/closure plans. If there is no money, the question of revival does not arise. If it is decided to close them, then after the decision is taken, from where will they get the resources to pay the statutory dues, because they do not have any disposable assets, and the administrative Ministries do not have the resources to support them? I would like to know whether, in that case, the Finance Ministry would intervene to provide them the necessary financial support for clearing their statutory dues.

SHRI JASWANT SINGH: Sir, there are two questions here. One has caused a great deal of excitement and anxiety in my hon. friend's mind, as if the circular is not dated. The issuance of the circular by the Government is dated 3rd April, 2003. Now 45 days start from the 3rd April. So far as the question of their being a period is concerned, it is true; the BIFR is still very much there; but in reality it is not there; and the NCLT has not yet come into existence. As per our current estimate, the NCLT is likely to take—because all these things require a great deal of establishing, establishment, etc., etc.,—roughly another five to six months to establish. For the next five to six months, therefore, we have rather a lame duck sort of situation, in which the BIFR is there on the statute books,but it is not really functional. I recognise that. That is why I shared the figures, and, as of the present moment, we have a request from 28 PSUs for budgetary support, which amounts to about Rs. 760 crores, and the recommendation to clear the dues in 45 days is only for those who pay from their own resources. This is being done by 13 PSUs. This 45-day obligation is not for other PSUs, where you have to deal with assets, convert assets into payable, etc. This 45 days' time is for those which are able to pay, for which I have given the figures and the amount. They must clear within 45 days of 3rd April. So far as others are concerned, we will deal separately.

विदेशों में स्थित पर्यटन कार्यालय

*363. **श्रीमती सविता शारदा:** क्या पर्यटन और संस्कृति मंत्री यह बताने की कृपा करेंगे कि:

(क) विदेशों में स्थित पर्यटन कार्यालयों पर प्रतिवर्ष कितनी राशि व्यय होती है और इससे भारतीय पर्यटन उद्योग को कितनी सहायता मिली है;

(ख) क्या सरकार ने विदेशों में स्थित इन कार्यालयों द्वारा प्रायोजित पर्यटकों के प्रतिशत के संबंध में कोई अध्ययन कराया है; और

(ग) यदि हां, तो तत्संबंधी ब्यौरा क्या है?

पर्यटन और संस्कृति मंत्री (श्री जगमोहन): (क) से (ग) विवरण सभा पटल पर रख दिया गया है।